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Hakim sued earlier over deals with Iran

By Michael Hedges
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Albert Hakim, the business partner of retired Gen. Richard V. Secord and the subject of a criminal investigation into the administration's arms sale to Iran, was accused in a lawsuit nine years ago of skimming large sums of money from Iranian business deals.

The case was settled out of court in 1979.

A spokesman for Olin Corp., a Connecticut ammunition manufacturing company, said the company sued Mr. Hakim in 1977, charging that he used kickbacks to secure business deals with the government of the shah of Iran.

"The civil litigation was a lawsuit against Hakim and a former employee which alleged kickbacks of part of his commission to a former Olin employee," company spokesman George Nusloch said yesterday. "We consider it to be a closed issue, unrelated to today's events," he added.

Mr. Nusloch said the suit charged that Mr. Hakim and former Olin Corp. employee Raul Castello skimmed \$800,000 from commissions the company paid to Mr. Hakim's Iranian company, Multi-Corp. International, Ltd.

Mr. Hakim and Gen. Secord are under criminal investigation in Washington for their alleged roles in the administration's Iran arm sale and diversion of proceeds to the Nicaraguan resistance, according to Justice Department sources.

In the past two days, the Senate Intelligence Committee has been trying to determine, from Gen. Secord and others, where the trail of money from the arms deals led, and if money was skimmed from those deals by various arms brokers.

"It is pretty clear ... that there are a lot of brokers and obviously they were compensated to some degree," Sen. David Durenberger, chairman of the committee, said Tuesday.

"There is a markup, if you will, over cost, and various of the parties involved have shared in that markup for their services," he said.

Thomas C. Green, Gen. Secord's attorney, denied that his client received commissions of any kind from Iranian arm sales. "Negative. He did not profit from it," he said.

Mr. Hakim's attorneys could not be reached for comment.

Mr. Hakim left Iran in 1978 and became president of Stanford Technology Corp., of San Jose, Calif., a firm that manufactures and markets security and intelligence systems and devices, according to officials.

The company is jointly owned by Mr. Hakim and Gen. Secord. According to statements made by Gen. Secord in an unrelated lawsuit, the two men first met when Gen. Secord was the U.S. Air Force liaison with the Iranian Air Force in Tehran in the late 1970s.

In depositions given in the Olin Corp. civil suit, Mr. Hakim described himself as "a wheeler dealer," who used bribery to lubricate deals with Iranian officials, according to the Associated Press.

"Everybody did it. As a matter of fact, if you didn't do it, you would not get anything done," he said at the time. He said that payoffs were not considered unethical in Iran, as they are in the United States.

A source in Olin Corp., who asked not to be identified, said the Justice Department conducted an "intensive criminal investigation" into Mr. Hakim's deals with the Olin Corp., but that the investigation was dropped five years ago and no indictments were issued.

Olin Corp. stopped doing business with Mr. Hakim after the transaction that led to the lawsuit, company officials said.

A source inside the company said it was hard to define Mr. Hakim's role with the company in the days before the overthrow of the shah, when Olin Corp., like many other American firms, had multimillion-dollar contracts with Iran.

"The definition is a little complex," the official said. "There was an arrangement between us and him to get things done."

• Bill Gertz contributed to this report.